

MINUTES OF THE AUGUST 9, 2002 DRINKING WATER BOARD HELD IN LAYTON, UTAH

Board Members Present

Boyd Workman, Chairman
Dale Pierson, Vice Chairman
Myron Bateman
Jay Franson
Nancy Melich
Dianne Nielson, Ph.D.
Ruth Perry
Charlie Roberts
Chris Webb

Guests

Vernon Fritz, Mayor, Elk Ridge City
Daren Anderson, Ballard Water District
Earl Murphy, Ballard Water District
Maris Secrest, Ballard Water District
Doug Nielson, Sunrise Engineering
Curtis Ludgrison, Rural Water Association
Marilyn Murphy, Ballard Water District

Staff

Board Members Excused

Anne Erickson, Ed.D.
Don Hayes, Ph.D.

Michael Georgeson
Bill Birkes
Ken Wilde
Patti Fauver
Linda Matulich

ITEM 1 – CALL TO ORDER

The Drinking Water Board convened in Layton, Utah with Chairman Workman presiding. The meeting was called to order at 1:05 p.m.

ITEM 2 – ROLL CALL

Chairman Workman asked Michael Georgeson to call roll of the Board members. The roll call showed there were 9 members present at the time.

Michael Georgeson was Acting Executive Secretary for the Board meeting. Kevin was out-of-town.

ITEM 3 – INTRODUCTIONS

Chairman Workman welcomed everyone and asked the guests to introduce themselves.

ITEM 4 – APPROVAL OF MINUTES

Chairman Workman stated a motion to approve the June 14, 2002 minutes would be in order.

Dale Pierson had one correction on page 10 under Item 8 – Chairman's Report, the second paragraph, the last sentence reads as follows: "The Conservancy District may try to make it so that the improvement districts are out of the property tax issue because that is their

total revenue.” The sentence should read: **“The Conservancy District is trying to be exempted from the property tax issue.”**

Dale Pierson moved the Board approve the June 14, 2002 minutes with the above mentioned change.

Myron Bateman seconded.

**CARRIED
(Unanimous)**

ITEM 5 – STATE SRF/REVOLVING LOAN FUND (SRF)/CONSERVATION COMMITTEE

1) SRF/Conservation Report – Vice Chairman Pierson

2) Status Report

Michael Georgeson reported the Board has available a little over \$3 million in the Security Account, \$257,000 in the Hardship Grant Account, and \$554,000 in the Secondary Account for a total of \$3.8 million in the State program.

Mike mentioned the Board has \$1,800,090 in the Federal SRF account that has not been committed yet. Staff received word the 2002 Federal SRF is in the quiet period and staff will receive word when it has been approved.

Mike mentioned staff has scheduled a closing for the Atkinson SSD for the later end of September. Staff has advanced Eureka the last of their \$172,000. Staff has scheduled a loan closing for Washington City for mid-September. Staff has advanced Garden City their money. Staff is trying to get word on how Mexican Hat is doing with their project. Mexican Hat has been working to get a treatment plant to treat water from San Juan River.

3) State SRF Applications

a) Ballard Water Improvement District

Bill Birkes reported the Board provided Ballard Water Improvement District with some planning advance money to conduct a water study. As a result of the study, some deficiencies were identified. As a result of the study, Ballard decided to take care of the deficiencies in phases. The most critical phase is storage. Ballard is seeking additional funding from the Board to construct a 500,000 gallon water storage tank, estimated at costing \$628,000. The District has applied to the Community Impact Board and is on their pending list. Bill said Shirl Clarke mentioned their Board does not have any money right now, but is expecting some money soon. The District is asking the Drinking Water Board for \$200,000.

Discussion followed.

Daren Anderson, Ballard Water Improvement District representative, addressed the Board.

Boyd Workman moved the Board authorize Ballard Water Improvement District a 50/50 loan/grant mix of a \$100,000 loan and a \$100,000 grant at 2.69% for 20 years.

Myron Bateman seconded.

Discussion on motion.

Chris Webb made a substitute motion for the Board to authorize Ballard Water Improvement District a 32/68 grant/loan mix of a \$65,000 grant and a \$135,000 loan at 2.69% for 20 years.

Myron Bateman seconded.

Discussion on substitute motion.

Mike Georgeson reminded the Board and Ballard Water Improvement District of the \$10,000 planning advance issue that hasn't been resolved yet. Ballard may be required to pay the \$10,000 planning advance back.

Dale Pierson proposed dealing with the \$10,000 planning grant issue at another Board meeting when the Board has more definite guidance on which direction to take on this issue and make a decision at that time.

CARRIED

Eight voted yes.

Boyd Workman voted no.

b) Elk Ridge – Revision to Previously Authorized Loan

Bill Birkes reported the Board recently authorized a loan of \$275,000 to Elk Ridge Town for the construction and drilling of a new well. Through an error from the engineer for Elk Ridge Town, it was not conveyed to the Town that the cost did not include engineering as well as construction and equipping of the pump house. A letter is enclosed in the packet on the changes needed to complete the project. There is an additional cost of \$75,000 to complete the project.

Mayor Vernon Fritz addressed the Board.

Discussion followed.

Myron Bateman moved the Board authorize the SRF/Conservation Committee recommendation of an additional loan of \$75,000 at the same rate and term as the previous loan of 4.05% for a term of 20 years. Staff will also reduce the percentage rate of a ¼% for every five years the loan payment years that are reduced from the 20 years.

Charlie Roberts seconded.

Discussion on motion.

**CARRIED
(Unanimous)**

4) Federal SRF Project Priority List

Ken Wilde reported the Board authorized a loan four months ago to the Town of Kanosh in the amount of \$285,000. Since then the Town of Kanosh has made an application to the Federal loan program. The Town of Kanosh needs to be on the project priority list. The Town of Kanosh scored 36.8, which puts them in the funding range. The Town of Kanosh is ready to go and wants to get started on the project. Staff has requested the project priority list be updated to include the Town of Kanosh.

Chris Webb moved the Board approve the updated Project Priority List.

Ruth Perry seconded.

**CARRIED
(Unanimous)**

ITEM 6 – FINAL RULE ADOPTION FOR R309-100, 105, 110, 200, 205, 210, 215, 220,
AND 225

Patti Fauver reported the Board approved the nine rules at the June Board meeting. Staff filed the packet, and the changes to the rules were published on July 1, 2002. The comment period closed on July 31, 2002. Staff received some comments, which are listed in the packet, from EPA and the Governors Office. Patti reviewed the comments received and action taken on the comments. Staff is requesting authorization from the Board to file the appropriate forms to make the filings effective on Monday, August 12, 2002.

Dale Pierson moved the Board authorize staff to proceed with filing the appropriate forms with the Division of Administrative Rules for final adoption of R309-101, 102, 103, and 104 (into R309-100, 105, 200, and 205), and R309-210, 215, 220, and 225; and the amendments to R309-110.

Nancy Melich seconded.

**CARRIED
(Unanimous)**

ITEM 7 – CHAIRMAN'S REPORT

a) Don Hayes

Chairman Workman mentioned Don Hayes has submitted his resignation. He has moved to Mississippi and is on a one year sabbatical. A replacement for Don's position is in the process of being completed.

Dale Pierson recently talked to Anne Erickson and updated the Board.

Dale Pierson updated the Board on what the Alternative Task Force Committee is trying to accomplish. If the Board members have any comments or concerns, get a hold of Dianne Nielson.

ITEM 8 – DIRECTORS REPORT

a) Drought Continues

Mike Georgeson updated the Board on the drought concerns. The Mayor of Oak City called staff on Tuesday. The Mayor said their well pump was only damp and that morning they had lost 6 feet in their reservoir. The Mayor instituted a mandatory prohibition against outside watering and wasn't sure if that would stabilize the demand on the system. Mike talked to the Mayor this morning and was told Oak City's demand is stable now and they will go to watering 4 hours a day only. Right now they have 300 gallons of production from their springs, which is the only supply they have. There are a two dairies on their system that are large water users. Staff may see something from Oak City next month if they are not able to continue to meet their demands from their spring.

Mike mentioned staff received a report that Zion Ponderosa Ranch needed to haul water. But the report staff received was erroneous. They are meeting their demands. Mike mentioned staff received a report that about 3 homes near Leeds had run out of water from their private springs or wells. Leeds will need some assistance to run lines to them. Mike mentioned Garden City's spring is about 10% of its usual production. The city still has plenty of water.

ITEM 9 – NEWS ARTICLES

The news articles are in the packet.

ITEM 10 – LETTERS

The letters are in the packet.

ITEM 11 – UPDATE

The update is in the packet.

ITEM 12 – NEXT BOARD MEETING

The next Board meeting is set for September 13, 2002 at 1:00 p.m. in Salt Lake City, Utah.

ITEM 13 – OTHER

No other business.

ITEM 14 – ADJOURN

Chairman Workman stated a motion to adjourn the Board meeting was in order.

Charlie Roberts moved to adjourn the Board meeting at 1:50 p.m.

Dale Pierson seconded.

**CARRIED
(Unanimous)**

Linda Matulich
Recording Secretary